

**JAKS RESOURCES BERHAD**  
**(COMPANY NO. 585648-T)**

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2020**

THE FIGURES HAVE NOT BEEN AUDITED

The Directors are pleased to announce the 2nd Quarter unaudited financial results for the financial period ended 30 June 2020.

	<u>Individual Period</u>		<u>Cumulative Period</u>	
	Current Year Quarter ended 30-Jun-2020	Preceding Year Quarter ended 30-Jun-2019	Current Year To-date ended 30-Jun-2020	Preceding Year To-date ended 30-Jun-2019
	RM'000	RM'000	RM'000	RM'000
Revenue	75,004	315,430	150,224	613,228
Cost of Sales	(67,623)	(271,720)	(140,222)	(510,197)
Gross Profit	7,381	43,710	10,002	103,031
Other Operating Income	219	729	423	1,355
Other Operating, Administrative Expenses	(10,095)	(14,487)	(22,598)	(46,735)
Operating Profit/(Loss) before finance cost	(2,495)	29,952	(12,173)	57,651
Finance cost	(5,922)	(5,423)	(13,046)	(10,355)
Operating Profit/(Loss) after finance cost	(8,417)	24,529	(25,219)	47,296
Share of Profit / (Loss) in Joint Venture	-	(116)	-	(116)
Profit/(Loss) Before Taxation	(8,417)	24,413	(25,219)	47,180
Taxation	(593)	(511)	(1,227)	(2,036)
Net Profit/(Loss) For The Period	(9,010)	23,902	(26,446)	45,144
Other Comprehensive Income / (Loss)				
Foreign currency translation	-	-	-	-
Total Comprehensive Income/(Loss) for the Period	(9,010)	23,902	(26,446)	45,144
<u>Net Profit/(Loss) For The Period Attributable to :</u>				
Owners of the Company	2,165	37,290	(4,055)	65,906
Non-Controlling Interests	(11,175)	(13,388)	(22,391)	(20,762)
	(9,010)	23,902	(26,446)	45,144
Earnings/(Loss) Per Share attributable to Owners of the Company (sen) :				
- Basic	0.33	6.35	(0.62)	11.22
- Diluted	0.32	6.35	(0.59)	11.22
Weighted average number of Ordinary Shares in issue	650,195	587,178	650,195	587,178
Weighted average number of Ordinary Shares in issue (diluted)	684,490	587,178	684,490	587,178

Notes :

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2019 and the accompanying notes attached to the interim financial statements.

**JAKS RESOURCES BERHAD**  
**(COMPANY NO. 585648-T)**

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2020**

	(Unaudited) As At End Of Financial Period End 30-Jun-2020 RM'000	(Audited) As At End Of Financial Year End 31-Dec-2019 RM'000
<b>ASSETS</b>		
<b>Non-current Assets</b>		
Property, Plant and Equipment	1,036	946
Investment properties	681,100	690,011
Investment in Joint Venture	370,086	357,408
Golf Club memberships	318	318
Goodwill on Consolidation	128,136	128,136
Right of use of Assets	1,863	2,163
	1,182,539	1,178,983
<b>Current Assets</b>		
Inventories	1,027	1,027
Property Development Costs	27,010	75,545
Amount due from customers for contract works	400,326	301,158
Trade and Other Receivables	492,230	531,405
Amount due by Joint Venture	10,005	9,203
Deposits placed with licensed banks	43,639	49,234
Cash and bank balances	44,335	102,253
	1,018,572	1,069,825
<b>Total Assets</b>	2,201,111	2,248,808
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the parent</b>		
<b>Share Capital</b>	664,762	659,642
<b>Share Options Reserve</b>	2,576	2,576
<b>Warrant Reserve</b>	25,607	25,607
<b>Translation Reserve</b>	(9,859)	(11,551)
<b>Accumulated Profit</b>	297,619	301,674
	980,705	977,949
<b>Non-controlling interests</b>	(80,485)	(58,094)
<b>TOTAL EQUITY</b>	900,220	919,855
<b>Non-Current Liabilities</b>		
Long Term Borrowings	310,696	306,232
	310,696	306,232
<b>Current Liabilities</b>		
Trade and Other Payables	902,032	907,267
Bank borrowings	78,585	102,882
Bank overdraft	9,578	12,573
	990,195	1,022,721
<b>TOTAL EQUITY AND LIABILITIES</b>	2,201,111	2,248,808
No of Ordinary Shares	651,118	643,118
Net Assets Per Share attributable to Owners of the parent (RM)	1.51	1.52

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2019 and the accompanying notes attached to the interim financial statements).

**JAKS RESOURCES BERHAD**  
(COMPANY NO. 585648-T)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2020**

	Current Year 6 Months ended 30-Jun-2020 RM'000	Current Year 6 Months ended 30-Jun-2019 RM'000
<b>Cash flows from operating activities</b>		
Profit before tax for the period	(25,219)	47,180
Adjustment for:		
Depreciation and amortisation	9,146	6,567
Interest expense	13,046	10,355
Interest income	(186)	(631)
(Gain) / Loss on disposal of plant & equipment	-	387
Share of (Profit) / Loss in Joint Venture	-	116
Restricted Share plan ("RSP") expenses	-	19,742
Provision for liquidated ascertained damages	19,603	18,046
Operating profit before working capital changes	16,390	101,762
(Increase)/Decrease in working capital		
Amount due from customers for contract works	(99,168)	(36,187)
Trade and other receivables	39,475	38,778
Property Development Expenditure	48,535	(3,115)
Trade and other payables	(25,114)	(68,938)
	(36,272)	(69,462)
<b>Net Cash from/(used) in Operating activities</b>	<b>(19,882)</b>	<b>32,300</b>
Interest paid	(6,182)	(3,405)
Income tax paid	(951)	(1,723)
<b>Net Operating Cash Flow</b>	<b>(27,015)</b>	<b>27,172</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant & equipment	(324)	(71)
Interest received	186	631
Proceeds from disposal of property, plant & equipment	-	538
Additional investment in Joint Venture company	(13,480)	(84,793)
Addition to investment properties	-	(6,147)
Withdrawal / (Placement) of Fixed Deposits	-	3,989
<b>Net Investing Cash Flow</b>	<b>(13,618)</b>	<b>(85,853)</b>
<b>Cash flows from financing activities</b>		
Net Proceeds from shares issued	5,120	39,641
Interest paid	(6,865)	(6,950)
Drawdown / (Repayment) of short term borrowings	(24,298)	(26,784)
Drawdown (Repayment) of hire purchase liabilities	(36)	(153)
Drawdown / (Repayment) of bank term loans	4,500	-
Withdrawal / (Placement) of Fixed Deposits	5,595	-
<b>Net Financing Cash Flow</b>	<b>(15,984)</b>	<b>5,754</b>

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2020. (Cont.)**

	Current Year 6 Months ended 30-Jun-2020	Current Year 6 Months ended 30-Jun-2019
	RM'000	RM'000
<b>Net Change in Cash &amp; Cash Equivalents</b>	(56,616)	(52,927)
<b>Cash &amp; Cash Equivalents at beginning of the year</b>	85,976	82,223
<b>Translation Reserve</b>	1,692	971
<b>Cash &amp; Cash Equivalents at end of the period.</b>	31,052	30,267

**Cash and Cash Equivalents**

Cash and cash equivalents included in the cash flow statements comprise the following balance sheet amount

Deposits placed with licensed banks	43,639	72,087
Cash & bank balances	44,335	40,430
Bank overdrafts	(9,578)	(8,927)
	78,396	103,590
Less : Deposit held as security values	(43,639)	(72,087)
Debt service reserves account	(3,705)	(1,236)
	31,052	30,267

(The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2019 and the accompanying notes attached to the interim financial statements).

**JAKS RESOURCES BERHAD**  
**(COMPANY NO. 585648-T)**

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2020.**

	Attributable to Equity Holders of the Company						Non-Controlling Interest RM'000	Total Equity RM'000
	Non-Distributable			Distributable				
	Share Capital RM'000	Share Options Reserve RM'000	Warrant Reserve RM'000	Translation Reserve RM'000	Retained Earnings RM'000	Sub-Total RM'000		
<b>Current Year</b>								
<b>Quarter ended</b>								
<b>30 June 2020.</b>								
<b>Balance as at</b>								
<b>1 January 2020</b>	659,642	2,576	25,607	(11,551)	301,674	977,948	(58,094)	919,854
Total Comprehensive Income for the Period	-	-	-	-	(4,055)	(4,055)	(22,391)	(26,446)
Foreign currency translation	-	-	-	1,692	-	1,692	-	1,692
Issuance of ordinary shares								
Warrants	5,120	-	-	-	-	5,120	-	5,120
<b>Balance as at</b>								
<b>30 June 2020.</b>	664,762	2,576	25,607	(9,859)	297,619	980,705	(80,485)	900,220
<b>Preceding Year</b>								
<b>Quarter ended</b>								
<b>30 June 2019</b>								
<b>Balance as at</b>								
<b>1 January 2019</b>	598,974	3,219	25,607	(3,796)	194,199	818,203	4,074	822,277
Total Comprehensive Income for the Period	-	-	-	-	65,906	65,906	(20,762)	45,144
Foreign currency translation	-	-	-	971	-	971	-	971
Issuance of ordinary shares								
Private placement	40,926	-	-	-	(1,285)	39,641	-	39,641
LTIP shares ("RSP")	19,742	-	-	-	-	19,742	-	19,742
<b>Balance as at</b>								
<b>30 June 2019</b>	659,642	3,219	25,607	(2,825)	258,820	944,463	(16,688)	927,775

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2019 and the accompanying notes attached to the interim financial statements).

## **JAKS RESOURCES BERHAD (Company No. 585648-T)**

### **A. NOTES TO THE INTERIM FINANCIAL REPORT**

#### **1. Basis of Preparation.**

The interim financial statements are unaudited and have been prepared in compliance with FRS 134 “Interim Financial Reporting” issued by the Malaysian Accounting Standards Board (“MASB”) and Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad. The interim financial statements should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2019.

The accounting policies and methods of computations followed by the Group in this interim financial report are consistent with those adopted in financial statements of the Group for the year ended 31 December 2019.

#### **2. Qualification of Audit Report on Financial Statements.**

The financial statements of JAKS for the financial year ended 31 December 2019 have been reported on without any audit qualification.

#### **3. Seasonal or Cyclical Factors.**

The business activities of the Group are not significantly affected by seasonal and cyclical factors.

#### **4. Unusual Items Affecting the Assets, Liabilities, Equity, Net Income or Cash Flows.**

There are no major unusual items affecting the assets, liabilities, equity, net income or cash flows of the Group for the period under review.

#### **5. Material changes in estimates.**

There are no material changes in estimates for the period under review.

#### **6. Issuance and Repayment of Debt and Equity Securities.**

There was no issuance, cancellations, repurchases, resale and repayment of debt and equity securities for the financial period under review and up to date of this report.

#### **7. Dividend.**

No dividend has been paid in respect of the financial period under review.

**JAKS RESOURCES BERHAD (Company No. 585648-T)**

**A. NOTES TO THE INTERIM FINANCIAL REPORT (cont'd)**

**8. Segmental Information for the Financial Period Ended 30 June 2020.**

Segment information was presented in respect of the Group's business segment. Inter-segment pricing was determined based on a negotiated basis.

**Business Segments.**

	Construction RM'000	Property Development & Investment RM'000	Investment Holding & Others RM'000	Elimination RM'000	Total RM'000
REVENUE					
External Revenue	158,547	(8,421)	98	-	150,224
Inter-Company	6,651	-	5,909	(12,560)	-
	165,198	(8,421)	6,007	(12,560)	150,224
Segment Results	22,570	(31,325)	(3,841)		(12,596)
Other Income					423
Finance Cost					(13,046)
Profit After Finance cost					(25,219)
Share of Loss in Joint Venture					-
Profit Before Taxation					(25,219)
Taxation					(1,227)
Profit After Taxation					(26,446)
<u>Attributable to:</u>					
Owners of the Company					(4,055)
Non-Controlling Interests					(22,391)
					(26,446)

The Group's revenue for the period ended 30 June 2020 based on geographical location is presented as follows:

	RM'000
Malaysia	49,312
Vietnam	100,912
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Total	150,224
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**A. NOTES TO THE INTERIM FINANCIAL REPORT (cont'd)**

**9. Valuation of Property, Plant & Equipment.**

The valuations of property, plant and equipment and investment properties have been brought forward without amendment from the financial statement for the year ended 31 December 2019.

**10. Significant Events.**

Save for the status of the information as described in Note 11 in Part B, there were no significant subsequent events between the date of the last financial statements used in the preparation of this report and the date of this report, which will affect materially the content of this report.

**11. Effect of Changes in the Composition of the Group.**

There were no changes in the composition of the Group during the period under review.

**12. Changes in Contingent Liabilities.**

The changes in contingent liabilities of the Group since 31 December 2019 until 30 June 2020 were as follows: -

	As at 30 Jun 2020 RM'000	As at 31 Dec 2019 RM'000
Bank guarantees issued for execution of contracts of the Company or Subsidiaries company	45,617	61,891
Liquidated and ascertained damages	50,366	37,428
	----- 95,983 =====	----- 99,319 =====

**13. Material Commitment**

Save as disclosed below, there are no material commitments incurred or known to be incurred by the Group that has not been provided for, which upon becoming enforceable, may have a material impact on the financial results/position of the Group:-

Capital contribution contracted but not provided for in respect of shares subscription in JAKS Pacific Power Limited, joint venture of the Group amounted to approximately USD49.14 million or RM210.3 million, using exchange rate of USD1 : RM4.28



**B. ADDITIONAL INFORMATION ON INTERIM FINANCIAL REPORT REQUIRED BY THE BURSA SECURITIES LISTING REQUIREMENTS (Cont'd)**

**1. Review of Financial Performance.**

a) Revenue

Segment	Current Year Quarter Ended 30/06/2020 RM'000	Preceding Year Quarter Ended 30/06/2019 RM'000	Changes %	Current Year To-date Ended 30/06/2020 RM'000	Preceding Year To-date Ended 30/06/2019 RM'000	Changes %
Construction	82,902	316,821	(74)	158,547	589,699	(73)
Property Development & Investment Less Provision for Liquidated ascertained damages ("LAD")	1,857	10,495	(82)	11,182	40,993	(73)
	(9,766)	(12,230)	(20)	(19,603)	(18,046)	9
	(7,909)	(1,735)	356	(8,421)	22,947	(137)
Investment Holding & Others	11	344	(97)	98	582	(83)
<b>Total</b>	<b>75,004</b>	<b>315,430</b>	<b>(76)</b>	<b>150,224</b>	<b>613,228</b>	<b>(76)</b>

**B. ADDITIONAL INFORMATION ON INTERIM FINANCIAL REPORT REQUIRED BY THE BURSA SECURITIES LISTING REQUIREMENTS (Cont'd)**

b) Profit / (Loss) Before Taxation

Segment	Current Year Quarter Ended 30/06/2020 RM'000	Preceding Year Quarter Ended 30/06/2019 RM'000	Changes %	Current Year To-date Ended 30/06/2020 RM'000	Preceding Year To-date Ended 30/06/2019 RM'000	Changes %
Construction	13,889	53,383	(74)	20,370	111,684	(82)
Property Development & Investment	(19,416)	(26,803)	(28)	(38,127)	(41,277)	(8)
Investment Holding & Others	(2,890)	(2,167)	33	(7,462)	(3,485)	114
Restricted Share Plan Expenses	-	-	-	-	(19,742)	(100)
	<u>(2,890)</u>	<u>(2,167)</u>	<u>33</u>	<u>(7,462)</u>	<u>(23,227)</u>	<u>(68)</u>
<b>Total</b>	<b>(8,417)</b>	<b>24,413</b>	<b>(134)</b>	<b>(25,219)</b>	<b>47,180</b>	<b>(153)</b>

The Group achieved revenue of RM75.0 million for the current quarter ended 30 June 2020, compared to the previous year's corresponding quarter of RM315.4 million and a loss before tax of RM8.4 million in the current quarter as compared to a profit before tax of RM24.4 million in the preceding year's corresponding quarter. The loss before tax for the current quarter was mainly attributable to the lower revenue recognised from the construction division including the Vietnam EPC construction works due to the COVID-19 pandemic which resulted in slowdown of construction works.

**B. ADDITIONAL INFORMATION ON INTERIM FINANCIAL REPORT REQUIRED BY THE BURSA SECURITIES LISTING REQUIREMENTS (Cont'd)**

The main contributor to the Group for the current quarter was from the Construction division with a revenue of RM82.9 million (Q2 2019: RM316.8 million) and profit before tax of RM13.9 million (Q2 2019: RM53.4 million).

The Property Development & Investment division contributed a lower revenue of RM1.9 million to the Group in the current quarter as compared to RM10.5 million in the preceding year's corresponding quarter as a result of the Movement Control Order ("MCO") situation. After provision for liquidated ascertained damages ("LAD") charges of RM9.8 million (Q2 2019: RM12.2 million) which was netted off against the gross revenue achieved on application of the accounting standards, MFRS 15 *Revenue*, the Property Development & Investment division achieved a revenue of negative RM7.9 million for the current quarter. However, a lower loss before tax of RM19.4 million the quarter under review was recorded compared to a loss before tax of RM26.8 million in the second quarter of 2019.

The Investment Holding & Others division recorded a marginally lower loss before tax of RM2.9 million in the quarter under review as compared to a loss before tax of RM2.2 million incurred in the preceding year's corresponding quarter.

**2. Variation of Results against Preceding Period.**

	Current Year Quarter 1/4/20-30/6/20 RM'000	Immediate Preceding Quarter 1/1/20 – 31/3/20 RM'000	Changes %
Revenue	75,004	75,220	(0.3)
Profit / (Loss) before tax	(8,417)	(16,802)	50

The Group achieved RM75.0 million revenue for the second quarter, compared to revenue of RM75.2 million in the preceding quarter ended 31 March 2020. The Group recorded a Loss Before Tax of RM8.4 million in the current quarter compared to a Loss Before Tax of RM16.8 million in the preceding quarter ended 31 March 2020. The lower loss was mainly due to better contribution achieved from the Vietnam EPC construction work.

**3. Prospects**

The threat and effect of the global COVID-19 virus pandemic is still not over yet. We are now in the Recovery Movement Control Order (RMCO) phase, and starting to see some positive sign of mild recovery and momentum picking up to regain lost ground to make up for valuable time lost.

The Group continues to focus on completion of its on-going projects in hand, and with the expected completion of the Vietnam Power Plant this year which is expected to contribute stable recurring income, the Group will strive to prevail and move forward.

**B. ADDITIONAL INFORMATION ON INTERIM FINANCIAL REPORT REQUIRED BY THE BURSA SECURITIES LISTING REQUIREMENTS (Cont'd)**

The group continues to focus on fund raising exercises like capital raising from the equities market and also other new financing opportunities to raise funds for the Groups needs and to further strengthen its financial position. At the same time, cost control measures are and will continue to be implemented appropriately.

As the full extent and impact of the COVID-19 pandemic remains to be seen, the Board will continue to exercise due care and prudence in view of the uncertainties and challenges ahead.

**4. Profit Forecast / Guarantee.**

The Company did not issue any profit forecast or guarantees.

**5. Taxation.**

Included in the taxation are the following:

	Current Quarter Ended 30 Jun 2020 RM'000	Year-to-date Ended 30 Jun 2020 RM'000
Taxation	593	1,227
	=====	=====

The tax provision was based on the estimated taxable amount. The tax charge of the Group is mainly from profitable subsidiaries' taxation, and for tax purposes, cannot be utilised to set off against losses of other companies within the Group. The effective tax rate was lower as most of the Group's profit generated were derived from the Vietnam operations with low tax rate of 1 to 2%.

**6. Group Borrowings.**

Group borrowings as at 30 June 2020 including interest denominated in Ringgit Malaysia are as follows: -

	<u>Secured</u> <u>RM'000</u>	<u>Unsecured</u> <u>RM'000</u>	<u>Total</u> <u>RM'000</u>
Short term borrowings	78,585	-	78,585
Overdraft	9,578	-	9,578
Long term borrowings	310,696	-	310,696
	-----	-----	-----
Total	398,859	-	398,859
	=====	=====	=====

**B. ADDITIONAL INFORMATION ON INTERIM FINANCIAL REPORT REQUIRED BY THE BURSA SECURITIES LISTING REQUIREMENTS (Cont'd)**

**7. Notes to the statement of comprehensive income.**

The profit before taxation is derived after taking into consideration the following:

	Year-to-date Ended 30 June 2020 RM'000
<u>Expenses</u>	
Interest Expense	13,046
Depreciation and Amortisation	9,146
Liquidated and ascertained damages provision	19,603
<u>Income</u>	
Interest Income	186

**8. Material Litigation.**

**(a) Star Media Group Berhad (“STAR”) Claim**

The Star Media Group Berhad (“STAR”) had on 30 April 2019 served a Writ of Summons and Statement of Claims against the Company claiming that the Company as corporate guarantor to JAKS Island Circle Sdn Bhd (“JIC”) is liable for JIC’s purported default of obligations under the Sale and Purchase Agreement (“SPA”) dated 19 August 2011 executed by STAR with JIC. The claim is for specific relief and damages for the total amount of RM177.7 million.

On 27 May 2019, the Company also filed its Defence and Counterclaim.

On 1 August 2019, STAR filed a Notice of Application for Disposal of case on point of law and/or Striking Out and/or Summary Judgment pursuant to Order 14A, Order 18 Rule 19 and Order 81 of the Rules of Court 2012 (“Application”).

Case managements were held at the Kuala Lumpur High Court on 6 May 2019, 17 June 2019, 23 July 2019, 7 August 2019 and 28 August 2019.

On 28 August 2019, the Court granted leave to the Company to file a Reply to Star Media’s Defence in the Counterclaim.

During the hearing on 14 October 2019, the Court informed the solicitors for the respective parties that the hearing of Star Media’s is vacated and re-fixed a new hearing date on 14 November 2019.

During the hearing on 14 November 2019, the Court informed the solicitors for the respective parties that the hearing of Star Media’s Application is vacated and re-fixed a new hearing date on 3 January 2020.

**B. ADDITIONAL INFORMATION ON INTERIM FINANCIAL REPORT REQUIRED BY THE BURSA SECURITIES LISTING REQUIREMENTS (Cont'd)**

During the hearing on 3 January 2020, the Court informed the solicitors for the respective parties that the hearing of Star Media's is vacated and re-fixed a new hearing date on 21 April 2020.

The Company announced on 17 April 2020 that in light of the Movement Control Order, the Court informed the solicitors for the respective parties that the hearing of Star Media's Application pursuant to Order 14A, Order 18 and Order 18 Rule 19 of the Rules of Court 2012 on 21 April 2020 and re-fixed to 10 June 2020 is vacated and thereafter re-fixed a new hearing date on 7 August 2020.

On 7 August 2020, the Company announced that the High Court has partly allowed STAR's application and ruled that the Company is to pay damages to STAR, being late payment interest at the rate of 8% per annum on the Balance Purchase Price of RM134,500,000 from 25 October 2015 to 6 July 2020.

The Company was further advised by its solicitors that in delivering the High Court's decision: -

1. the High Court did not allow STAR's claim for payment of RM134,500,000 being the Balance Purchase Price;
2. the High Court was of the view that delivery of the STAR's entitlement as defined in the Sale and Purchase Agreement dated 19 August 2011, had occurred on 6 July 2020;
3. the High Court did not allow any late payment interest on the Balance Purchase Price thereafter from 6 July 2020
4. STAR's claim and the Company's counterclaim had been disposed by the High Court.

The Company will be appealing against the decision of the High Court and has instructed its solicitors to apply for a stay of execution pending appeal ("Stay Application"). The High Court has on 7 August 2020 granted a stay of execution of the Court Order pending filing of the Stay Application within 14 days.

**(b) Claim against STAR at Kuala Lumpur High Court**

On 30 May 2019, the Company and JIC filed a claim against STAR at the Kuala Lumpur High Court for breach of the SPA dated 19 August 2011 on the following reliefs:

- a declaration that the Completion Period for JIC to deliver STAR's entitlement under the SPA is on 20 June 2020;
- a declaration that STAR has breached SPA;
- a declaration that STAR is unjustly enriched;
- the sum of RM248,242,987.62 to be paid to JIC as liquidated ascertained damages;
- the sum of RM297,035,481 to be paid to JRB as loss of proceeds from corporate fund raising exercises;

**B. ADDITIONAL INFORMATION ON INTERIM FINANCIAL REPORT REQUIRED BY THE BURSA SECURITIES LISTING REQUIREMENTS (Cont'd)**

- the sum of RM50,000,000 together with all interests and all related costs incurred thereto pursuant to the Bank Guarantee that is to be refunded and/or returned to JIC within 7 days from the date of the Court Order, and
- damages.

On 1 August 2019, STAR has filed a Notice of Application for Disposal of case on point of law and/or Striking Out pursuant to Order 14A and Order 18 Rule 19 of the Rules of Court 2012.

Case Managements were held on 18 June 2019, 19 July 2019, 14 August 2019, 3 September 2019, 31 October 2019, 15 November 2019, 29 November 2019 and 6 January 2020.

During the case management on 6 January 2020, the court fixed another case management on 27 April 2020.

The Company announced on 17 April 2020, that in light of the Movement Control Order, the High Court of Kuala Lumpur had vacated the case management on 27 April 2020. The court fixed another case management on 18 May 2020.

On 14 May 2020, the Company announced that in light of the Movement Control Order, the High Court of Kuala Lumpur had vacated the case management on 18 May 2020, and fixed another case management on 3 August 2020. On 3 August 2020, the Court had decided that the hearing of the application by STAR be fixed on 19 August 2020. On 19 August 2020, the Court had fixed the matter for decision on 28 September 2020.

The solicitors of the Company are confident of the Company's chances in succeeding in its claim against STAR.

Insofar as STAR's application to have both suits disposed of summarily on points of law, the solicitors of the Company are sanguine of their chances in defending the applications as the as the underlying disputes involved many issues to be tried which can only be determined through viva voce evidence.

**9. Dividend**

No dividend has been declared for the quarter under review.

**10. Earnings Per Ordinary Share**

The earnings per share has been calculated based on the Group's profit attributable to owners of the Company for the period and the weighted average number of ordinary shares outstanding as at end of the period.

**B. ADDITIONAL INFORMATION ON INTERIM FINANCIAL REPORT REQUIRED BY THE BURSA SECURITIES LISTING REQUIREMENTS (Cont'd)**

	<u>Individual Period</u>		<u>Cumulative Period</u>	
	Current	Preceding	Current	Preceding
	Year	Year	Year	Year
	Quarter	Quarter	To-date	To-date
	Ended	Ended	Ended	Ended
	30/06/20	30/06/19	30/06/20	30/06/19
	RM'000	RM'000	RM'000	RM'000

**a) Basic Earnings/(Loss) Per Share**

Profit/(Loss) for the period attributable to owners of the Company	2,165	37,290	(4,055)	65,906
Weighted average Number of Share in issue (RM1.00 each)	650,195	587,178	650,195	587,178
Basic Earnings /(Loss) Per Share (sen)	0.33	6.35	(0.62)	11.22

	<u>Individual Period</u>		<u>Cumulative Period</u>	
	Current	Preceding	Current	Preceding
	Year	Year	Year	Year
	Quarter	Quarter	To-date	To-date
	Ended	Ended	Ended	Ended
	30/06/20	30/06/19	30/06/20	30/06/19
	RM'000	RM'000	RM'000	RM'000

**b) Diluted Earnings/(Loss) Per Share**

Profit/(Loss) for the period attributable to owners of the Company	2,165	37,290	(4,055)	65,906
Weighted average Number of Share in issue (RM1.00 each)	650,195	587,178	650,195	587,178
Effect of dilution due to issuance of shares	34,295	-	34,295	-
Adjusted weighted average Number of Share in issue applicable to diluted Earnings/(Loss) per share (RM1.00 each)	684,490	587,178	684,490	587,178
Diluted Earnings/(Loss) Per Share (sen)	0.32	6.35	(0.59)	11.22



**B. ADDITIONAL INFORMATION ON INTERIM FINANCIAL REPORT REQUIRED BY THE BURSA SECURITIES LISTING REQUIREMENTS (Cont'd)**

**11. Status of the Corporate Exercise**

On 22 May 2020, the Company announced to Bursa Malaysia Securities Berhad, the proposed renounceable rights issue up to 402,277,057 new Company's shares ("Rights Shares") together with 201,138,528 Warrants on the basis of 2 Rights Shares together with 1 Warrant for every 4 Company's shares held on an entitlement date to be determined later ("Rights Entitlement Date").

On 13 July 2020, the Company announced to revise the following key terms of the Original Proposed Rights Issue with Warrants:-

- i. maximum gross proceeds to be raised to RM289.64 million from RM160.92 million; and
- ii. minimum Subscription Levels to be raised to RM200.00 million from RM130.00 million.

On 21 July 2020, an application in relation to the Proposed Rights Issue with Warrants has been submitted to Bursa Securities.

**12. Authorisation for issue.**

The interim financial statements were authorised for issue by the Board of Directors on 26 August 2020.